



DAVID E. JANSSEN
Chief Administrative Officer

County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101

Hahn

August 14, 2001

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

CONSENT TO TRANSFER FRANCHISE RIGHTS FOR AN EXISTING PETROLEUM PIPELINE (LINE NO. 211) FROM ARCO PIPE LINE COMPANY (ORD. NO. 83-0013F) TO ATLANTIC RICHFIELD COMPANY (ORD. NO. 99-0068F) AND AMENDMENT TO THE ATLANTIC RICHFIELD COMPANY FRANCHISE (ORD. NO. 99-0068F) TO ADD TWO FRANCHISE SERVICE AREAS IN THE SOUTH CENTRAL LOS ANGELES AND WINDSOR HILLS UNINCORPORATED AREAS (SECOND) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the transfer of franchise rights for an existing petroleum pipeline from Arco Pipe Line Company to Atlantic Richfield Company.
2. Approve the attached Ordinance that amends Ordinance No. 99-0068F, to include two franchise service areas for the pipeline being transferred.
3. Find this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061(b)(3) of the State CEQA Guidelines; and,
4. Introduce, waive reading, and place on your Board's agenda for adoption, the attached Ordinance which implements the above recommendation, becoming effective 30 days from adoption thereof.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

- Atlantic Richfield Company, (ARCO) maintains and operates various pipelines installed in County roadways under rights granted by two existing petroleum pipeline franchises. Franchise Ordinance No. 99-0068F, adopted by your Board on July 27, 1999, granted ARCO a pipeline franchise for a term of 15 years to maintain and operate petroleum pipelines located in the South Bay unincorporated area.
- ARCO also maintains and operates certain common carrier pipelines under a wholly owned subsidiary, Arco Pipe Line Company, (APL) and reports these pipelines under countywide common carrier Franchise Ordinance No. 83-0013F, adopted by your Board on January 18, 1983, for a term of 25 years.
- By letter dated October 13, 1999, ARCO requested consent from the County to transfer franchise rights for Line No. 211, an existing 12 3/4-inch pipeline reported under the APL common carrier franchise, (Ordinance No. 83-0013F) to the ARCO proprietary pipeline franchise (Ordinance No. 99-0068F).
- Portions of Line No. 211 lie within the South Bay unincorporated area, an existing service area described on ARCO's franchise, (Ordinance No. 99-0068F). However, the transfer of Line No. 211 will require two additional service areas be included in the franchise for those portions of the pipeline located in the South Central Los Angeles and the Windsor Hills unincorporated areas.

Implementation of Strategic Plan Goals

- The Countywide Strategic Plan directs that we invest in public infrastructure, in order to strengthen the County's fiscal capacity. The consent to transfer these franchise rights supports this strategy by complying with the Strategic Asset Management Principles (Goal 4, Strategy 2, Objective 2) and providing an efficient method of transporting oil products in order to meet the energy needs of the public.

FISCAL IMPACT/FINANCING

- Annual franchise fees currently being paid to the County for ARCO's Line No. 211 are based upon 2 percent of the gross annual receipts arising from the use, operation or possession of the APL common carrier franchise (Ordinance No. 83-0013F). Since the Line No. 211 franchise fees were not segregated in the percentage of gross method, assessing the overall fiscal impact is not possible at this time.
- The transfer of Line No. 211 will change the method of calculating the annual franchise fee payment to a formula using the linear footage and internal diameter of the pipeline, revised each year for the rate of inflation. Line No. 211 consists of approximately 28,900 linear feet of pipeline in County roadways and should generate approximately \$10,000 per annum for the County using the new formula.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

- In April 2000, ARCO and BP Amoco (BP) satisfied the United States Federal Trade Commission (FTC) requirements for approval of a statutory merger. ARCO remained a Delaware corporation and became a wholly-owned subsidiary of BP. Before the FTC would approve the merger, BP was required to liquidate the APL common carrier subsidiary. Prior to selling the APL assets, BP was allowed to retain APL Line No. 211 by transferring it back to ARCO on September 20, 1999.
- A previous merger affecting Line No. 211 deserves mention. The APL countywide franchise, (Ordinance No. 83-0013F) was originally granted to Four Corners Pipeline Company (Four Corners). APL, through corporate merger with Four Corners, became successor in interest to its assets in December 1994.
- ARCO Franchise Ordinance No. 99-0068F provided a single franchise service area in the South Bay unincorporated area. Transferring Line No. 211 requires your Board's approval of an ordinance to amend the franchise to include two additional service areas in the South Central Los Angeles and the Windsor Hills unincorporated areas. Transferring a franchise or any portion thereof also requires your Board's approval under Title 16, Division 3A, of the Los Angeles County Code (§16.52.140).

The Honorable Board of Supervisors
August 14, 2001
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

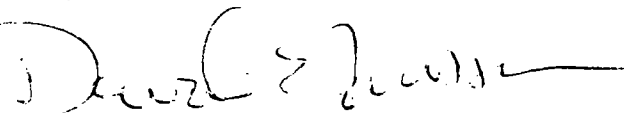
ENVIRONMENTAL DOCUMENTATION

The transfer ARCO's Line No. 211 consists of previously existing pipelines deemed to be categorically exempt under CEQA pursuant to Class 1, Section (e) of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors on November 17, 1987, and Section 15061(b)(3) of the State CEQA Guidelines.

CONCLUSION

Instruct the Executive Officer, Board of Supervisors, to send an approved copy of this Board letter to ARCO Products Company, 5900 Cherry Avenue, Room D179, Long Beach, California, 90805, Attn: Mr. Rob Streed, and to forward conformed copies to the Office of County Counsel, and the Chief Administrative Office, Real Estate Division, Attn: Property Management, 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SNY
CWW:RB:kb

Attachment (1)


c: County Counsel
Auditor-Controller
Department of Public Works
Fire Department

ANALYSIS

This ordinance amends the franchise granted by Ordinance No. 99-0068F to Atlantic Richfield Company ("Franchisee") by adding two service areas to the franchise. The ordinance is being adopted in conjunction with the County's consent to the transfer of franchise rights for one existing petroleum pipeline from Arco Pipe Line Company to Franchisee.

The annual base fee payable to the County by Franchisee will be determined according to a formula contained in Section 16.54.050 of the County's Master Pipeline Franchise Ordinance. Franchisee will pay a one-time administrative fee of Two Thousand Five Hundred Dollars (\$2,500).

LLOYD W. PELLMAN
County Counsel

By 
LILLIAN D. SALINGER
Deputy County Counsel
Public Works Division

LDS:mh

05/23/01 (requested)

06/12/01 (revised)

[AtlanticRichfieldPipeLineExtRBCAO]

ORDINANCE _____

This ordinance amends the franchise granted by Ordinance No. 99-0068F to Atlantic Richfield Company ("Franchisee") by adding two service areas to the franchise. The ordinance is being adopted in conjunction with the County's consent to the transfer of franchise rights for one existing petroleum pipeline from Arco Pipe Line Company to Franchisee.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 1 of Ordinance No. 99-0068F is hereby amended to read as follows:

Section 1. A. The right, privilege and franchise is granted to Atlantic Richfield Company ("ARCO") and its subsidiaries, (hereinafter, "Franchisee"), its successors and assigns, for the period of fifteen (15) years, beginning with the operative date of May 30, 1999, to lay, construct, maintain, operate, renew, repair, change the size of, and remove or abandon in place pipes and pipelines for the collection, transportation and distribution of oil, petroleum, gas, gasoline, other hydrocarbon substances, wet gas, industrial gas, chemicals, mud, steam, water, waste water, and other liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980, "42 U.S.C. 9601 et seq., as it may hereafter be amended, the "Federal Water Pollution Control Act," 33 U.S.C. 1251 et seq., as it may hereafter be amended, and the "Solid Waste Disposal Act," 42 U.S.C. 6901 et seq., as it may hereafter be amended, together with all manholes, valves, cathodic protection systems, appurtenances and

connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, cables and other appurtenances and equipment for telegraph or telephone lines, necessary or convenient for the Franchisee's business in, under, along or across any and all highways now or hereafter dedicated to public use within the following described service area or areas in the unincorporated territory of the County of Los Angeles, State of California and depicted on the maps attached hereto as Exhibit "A."

South Bay Unincorporated Area:

Beginning at the intersection of the southerly boundary of Pacific Coast Highway and the westerly boundary of Crenshaw Boulevard; thence northerly along the westerly boundary of Crenshaw Boulevard to the westerly boundary of the San Diego Freeway (405 Freeway); thence northerly along the westerly boundary of the San Diego Freeway (405 Freeway) to the northerly boundary of Imperial Highway; thence easterly along the northerly boundary of Imperial Highway to the easterly boundary of Long Beach Boulevard; thence southerly along the easterly boundary of Long Beach Boulevard to the westerly boundary of the Long Beach Freeway (710 Freeway); thence southerly along the westerly boundary of the Long Beach Freeway (710 Freeway) to the southerly boundary of Pacific Coast Highway; thence westerly along the southerly boundary of Pacific Coast Highway to the point of beginning, as same streets and highways existed on February 16, 1999.

South Central Los Angeles Unincorporated Area:

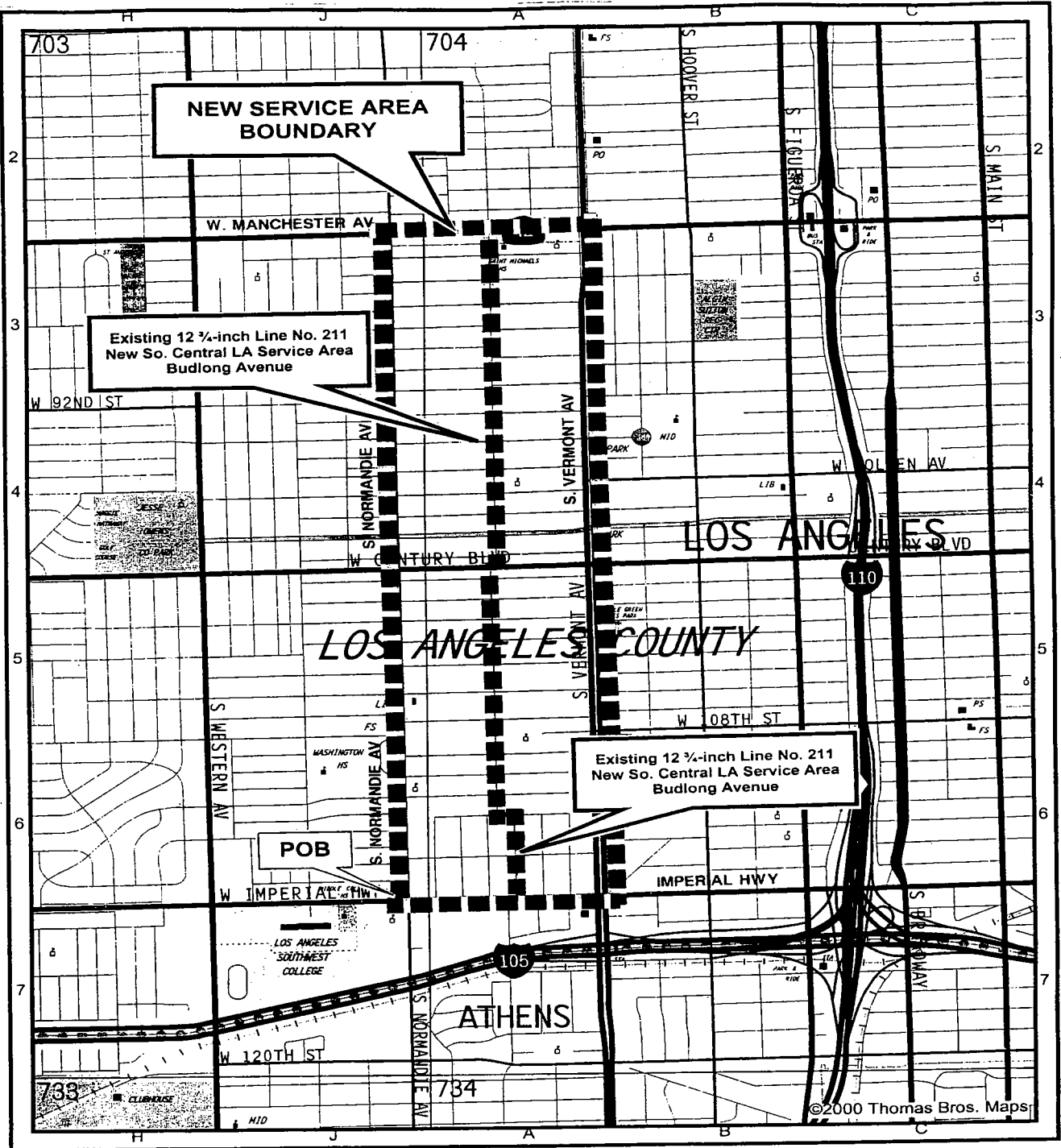
Beginning at the intersection of the northerly boundary of Imperial Highway and the westerly boundary of South Normandie Avenue; thence northerly along the westerly boundary of South Normandie Avenue to the northerly boundary of West Manchester Avenue; thence easterly along the northerly boundary of West Manchester Avenue to the easterly boundary of South Vermont Avenue; thence southerly along the easterly boundary of South Vermont Avenue to the northerly boundary of Imperial Highway; thence westerly along the northerly boundary of Imperial Highway to the point of beginning, as same streets and highways existed on September 20, 1999.

Windsor Hills Unincorporated Area:

Beginning at the intersection of the northerly boundary of Stocker Street and the westerly boundary of South La Brea Avenue; thence easterly along the northerly boundary of Stocker Street to the easterly boundary of Crenshaw Boulevard; thence southerly along the easterly boundary of Crenshaw Boulevard to the southerly boundary of West Slauson Avenue; thence westerly along the southerly boundary of West Slauson Avenue to the westerly boundary of South La Brea Avenue; thence northerly along the westerly boundary of South La Brea Avenue to the point of beginning, as same streets and highways existed on September 20, 1999.

B. The scope of the franchise shall not be expanded without the prior approval of the Board of Supervisors.

[AtlanticRichfieldPipeLineExtRBCAO]



Approximate Pipeline Locations



EXHIBIT "A" - MAP 4 of 5

SERVICE AREA BOUNDARY



COUNTY OF LOS ANGELES / CHIEF ADMINISTRATIVE OFFICE

DATE May 11, 2001	SCALE NONE	NEW FRANCHISE SERVICE AREA ATLANTIC RICHFIELD COMPANY PETROLEUM PIPELINE FRANCHISE SOUTH CENTRAL LOS ANGELES UNINCORPORATED AREA	JOB NUMBER 99-0068F
SUP. DIST. 2			PROPERTY AGENT BALL

